

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS
(Boston Division)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,)
Plaintiff,) CV NO.: 05-CV-10983 (NMG)
v.)
STEVEN E. NOTHERN,)
Defendant.)

)

DECLARATION OF JOHN V. MALVEY

John V. Malvey declares and states, under penalty of perjury, as follows:

- 1) I have been employed by Lehman Brothers Inc. ("Lehman") since approximately May 1992. In October 2001, and through the present, I was a Managing Director and Chief Global Fixed-Income Strategist in Lehman's Fixed-Income Research Department. My primary role at that time was and remains to provide asset allocation advice and market commentary to institutional investor clients of Lehman.
- 2) In my role as Chief Global Fixed-Income Strategist, I principally interface with clients and rarely make direct trading suggestions to any of Lehman's product trading desks. In particular, I do not recall ever making a direct trading suggestion to Lehman's U.S. government bond trading desk.
- 3) On October 31, 2001 I learned for the first time and from public sources that the United States Department of Treasury ("Treasury") intended to immediately suspend the 30-year Treasury bond.

4) I did not possess non-public information concerning Treasury's decision to immediately suspend the 30-year bond in advance of the October 31 public announcement, nor did I discuss any non-public information in advance of that announcement with any persons, including but not limited to, the following:

- a) Former Treasury Director of Market Finance Paul Malvey;
- b) Any other Treasury staff member or employee;
- c) Lehman research economist Drew T. Matus; and
- c) Any Lehman trader or trader at any other firm.

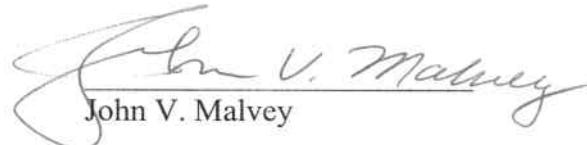
5) To the best of my knowledge, I may be distantly related to the above-referenced Paul Malvey. To the extent that any familial relationship may exist, it is in fact very attenuated and rooted in our distant common Irish heritage.

6) To the best of my recollection, I have only met Paul Malvey in person on one occasion, in 1996, 1997 or 1998. The last time I spoke to Paul Malvey was in or around the late 1990s.

7) My formal name is John V. Malvey. Informally, I am known sometimes as Jack Malvey.

The foregoing is true and correct, to the best of my knowledge and recollection.

March 28, 2008
New York, New York



John V. Malvey